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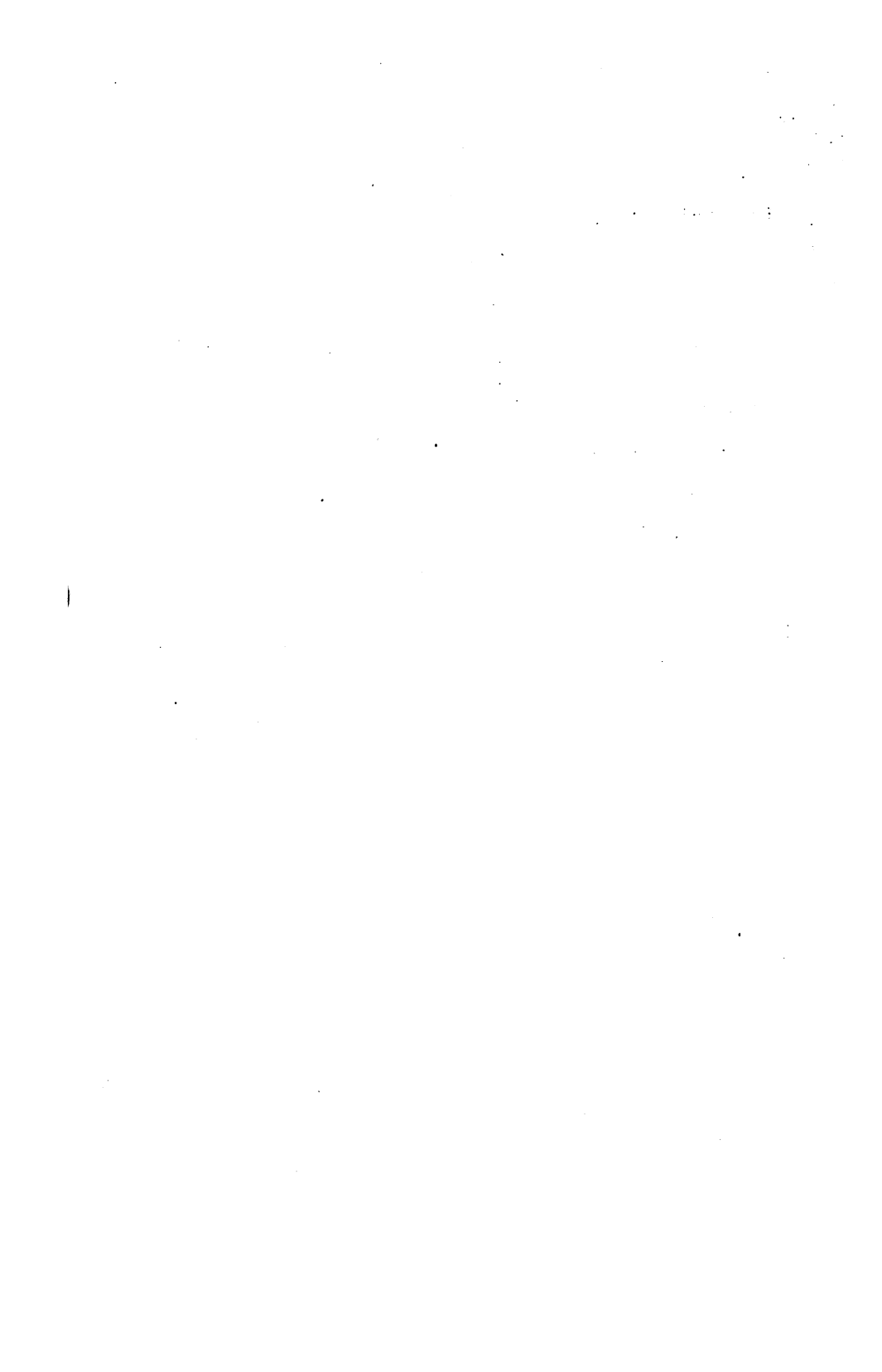
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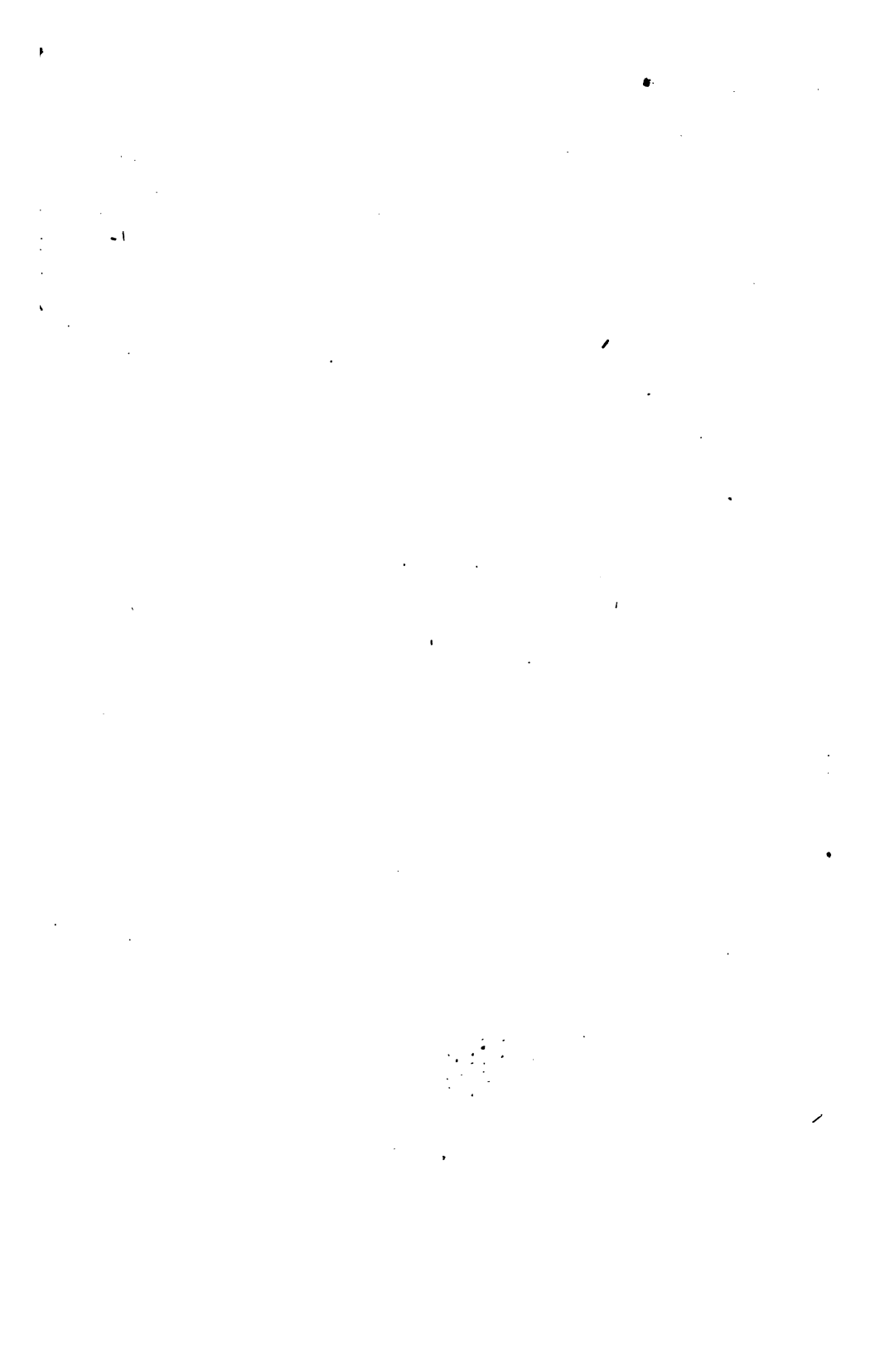
THE  
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TORONTO:  
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1876.





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THE

## CREDIT VALLEY RAILWAY.

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The Credit Valley Railway Company has submitted a Petition to the Lieut.-Governor in Council. Together with the Petition, the Annual Report and a statement by the President and Directors were submitted to His Honour. These last will be found in the Appendix, as will the main features of the Petition, which, having called attention to the cheapness and excellence of the line, the rapid progress which has been made, and to other considerations, submits that the minimum rate of Provincial aid to Railways—namely, \$2,000 per mile—has been proved to be wholly insufficient, and begs that the subsidy may be increased to \$3,500; and that a further subsidy of the same amount may be granted for the portion of the railway not hitherto aided, and that less onerous conditions should be imposed—as, for instance, that payment should be made on completion of 10 or 20 miles of continuous grading, providing it were done at such points on the route as would make continuous connexion with existing lines of railway.

These requests will not seem extravagant when the whole situation is taken in. Mr. Potter, the President of the Grand Trunk Railway, has aimed his cannon at Canada, and from the column of the *Times*, where Baron Grant's schemes used to be puffed, he seeks to shell the credit of the country. Nor has he been wholly unsuccessful, though his machinations have resulted in a spirited policy on the part of the Quebec Government, which will bring about with more speed and more certainty one of the events he sought to prevent taking place. He has been able to damage railway prospects in the London market; but his policy was shortsighted. Mr. Mackenzie has shown what he thinks of the matter; and it is not likely that the Government of Ontario, any more than the Government of Quebec, will sit quietly by while Mr. Potter acts as if Canada was made for the Grand Trunk, instead of the Grand Trunk for Canada. In the autumn of 1874, when told by some of his staff that the progress of the Quebec and Montreal Railway showed a determination to proceed, he said "that he would take good care to see that no money was obtained from

Europe to complete the line, even though by so doing he destroyed the value of every railway security in Canada ;" and his policy has been in accordance with this unscrupulous declaration.

The claims put forward by Mr. Potter in his petitions to Ministers are without foundation in the history of the line, as has been shown by Sir Francis Hincks, whose declaration, that it is "wholly impossible to protect monopolies on this continent," is accompanied by proof that the Grand Trunk has no right to ask for such protection, while the policy of the Grand Trunk has made competition a necessity for the protection of the people. It is, in fact, largely not a Canadian enterprise, and, contrary to its own interest and the interest of Canada, has for years devoted itself to carrying on ruinous competition with the railway lines of the United States, which the *Globe*, in commenting on the recent refusal to raise its through tariff, properly characterized as "suicidal." Nor can Mr. Potter complain when the Grand Trunk has neglected its local traffic and imposed unjust burdens on the farmers and manufacturers of Canada, that these should seek a remedy. No one could complain, even if the Grand Trunk was thereby injured to the extent anticipated by Mr. Potter.

But the recklessness of statement of that gentleman is as remarkable as his unscrupulousness, and so little can he be relied on when decrying railway enterprise in Canada, that his statements regarding the Grand Trunk itself must be taken with a very large grain of salt. If there is one man living who can speak with authority on this subject, it is Mr. Brydges, and what does he say?—

"Mr. Potter's charge against Canada of not rendering a fair return upon the capital actually expended upon the building of the Grand Trunk is, therefore, absolutely false. It pays a fair interest upon its real cost, the cause of its present difficulties being mainly the onerous bargains which the Company itself made with the lines it leased—the unwise paper additions to its capital for money which was never received or expended, and the lottery system which was adopted in issuing enormous masses of securities at a frightful and ruinous discount."

Again hear Mr. Brydges in his letter to the Prime Minister of the Dominion :—

"The first case was the Grand Trunk, the cost of which was put down by the *Times*, on information obviously supplied by Mr. Potter, at about £30,000,000 ; and Mr. Potter, in his letter on the 13th April, stated that in the year 1874 the line only yielded a profit of £80,000 for division amongst its bondholders. I proved from official documents, viz., the reports of the Company, signed by Mr. Potter himself as its President, that in 1874 the Company earned a net profit of nearly £460,000, instead of £80,000, as stated in Mr. Potter's letter ; and also that the cost, instead of £30,000,000, was only £15,000,000, of which one-fifth had been supplied by Canada, and on which no interest had been received for years."

This, it may be added, was practically a bonus to the Grand Trunk. Mr. Potter's statements regarding the Great Western were equally unsound; and Mr. Brydges had no difficulty in showing that up to 1874, when the commercial depression affected all the railways on the continent, that Company had been a fairly paying concern.

As regards the smaller lines, Mr. Potter admitted, in his letter, that they had up to the present paid the interest on their bonds, though he insinuated they would not be able to do so in the future. Mr. Brydges very properly characterises the insinuation as ungenerous, and then expresses himself further:—

"The municipalities, in issuing their bonds, are quite aware that they are taxing themselves, both now and in the future, for the payment of the principal and interest of these bonds. They, doubtless, believe that the improvement of the country, which will follow the completion of the railways aided, will more than compensate them for any payments they may have to make; and it is a fact that almost all the bonds now being issued are being bought by residents of Canada."

The view taken regarding the future of railway enterprise and its connection with the prosperity of the country, by the Quebec Treasurer, is in a like tone, and is full of confident statesmanship:—

"I believe that the impetus which railways will give to every department of industry in our Province will not only enable our people to pay for these railways, but that the additional burdens imposed for railway construction will not be felt by our people on account of the increased facilities for making money which these railways will give by utilizing and conveying commercial articles, the products of our soil, and by the development of our industrial and mineral resources, hardly yet known, but enough known to afford warrant for their vastness and extent."

Such is the language of the Treasurer of Quebec in introducing the policy of pledging the Government to the building of the North Shore Railway—a policy as patriotic as it is wise—and which has, in a manner, been forced on the Government by Mr. Potter. His attacks on the credit of all the railways of Canada call for action in Ontario, if not so bold, in the same spirit. Nor is there a railway in the country that has more claims for consideration than the Credit Valley, whether in regard to its policy secured by bonds to the municipalities, the style of road it will be, or the character of the districts traversed.

The capital account will be found in the Appendix. It includes \$250,000 expected from Toronto, \$8,000 each from Elora, Fergus, and Orangeville, making in all \$274,000. The item of \$279,000 includes the small amount paid up for stock and discounts, right of way, and other expenses.

One hundred and sixteen miles of railway have been graded and the structures shown as completed, exhibited in the smoking room of

the House of Assembly, have been built. The right of way has been paid for as shown in report. The fact, however, that so much work has been done with the investment of about a million of dollars, would seem incredible in London, as hitherto the cost of railways has been on such a large extravagant scale. The desire of the Directors of the Credit Valley Railway is to offer the mortgage bondholders a line of railway bridged, fenced, right of way paid for, complete and ready for the rails and rolling stock, as security for the moderate issue of £2,500 sterling per mile. No better structures—if we except the iron—have been built in the country. The foundations are stone sunk to the rock.

The issue of bonds is confined by charter to £2,500 sterling per mile. The bad practice has been to issue from thirty to fifty thousand dollars per mile in bonds, and sell them at a heavy discount, thus rendering the railways and the traffic of the country liable for the full value of these large issues. There is not a line of railway in this country that is not good for working expenses, and the interest on £2,500 sterling per mile, say \$1,200 per mile per annum, as against eight and twelve thousand dollars interest per mile on the great lines.

The additional amount petitioned for—namely \$1,500—is absolutely necessary. The \$1,500 per mile is of absolute importance to the railway, and it is a small matter to the country at large. It is better, at the cost of the expenditure of one or two hundred thousand dollars, to have a sound undertaking, than by avoiding this cost to have, even if it could be built, a line in a bankrupt condition, and unfit for the business of the country.

Look with particular attention at the following facts. The Great Western, by special tariffs and adjusted rates, diverts the whole of its business away from Toronto, and away from the St. Lawrence route, *via* the New York Central, to New York, and this means building up New York at the expense of Hamilton, Toronto and Montreal. The Grand Trunk, pursuing a similar policy, takes everything past Toronto by charging treble rates to this city, and giving very low rates past it. The reason why both these lines dislike the Credit Valley so much is, because it will strike a fatal blow at this policy, and will equalize the rates on the Great Western to Hamilton and Toronto, and on the Grand Trunk to Toronto. Both lines will then be compelled to carry from all parts of Western Canada at the same rate per ton per mile as they carry past the two great cities of Lake Ontario. The Grand Trunk and Great Western must then become local lines to Toronto, with the effect of adding enormously to its

business, while along the route the farmer will not be fleeced by having to pay for his wheat 8 to 12 cents freight, while from Paris, Sarnia or London, another pays only 4 or 4½ cents.

Again, by means of the Credit Valley and Canada Southern, trains will run from Amherstburg through the Lake Erie Counties to Toronto, opening up to the people of these counties new markets. Moreover, by an alliance of a similar character with Port Dover and Lake Huron Railway, the people on that line of route will be afforded the same important advantage of direct trade with the City of Toronto and the St. Lawrence route as will be afforded to the people on the route of the Canada Southern Railway. Thus the whole of that region will be not only greatly advantaged, but will be prevented from becoming Americanized.

The railway from Streetsville, along the Credit to Cataract, and through Centre Wellington to Fergus and Elora, is in direct relationship to the Wellington, Grey and Bruce, which will no longer be able to carry the whole passenger and goods traffic around by Guelph, Galt, and Harrisburg. Passengers from Bruce and part of Huron can come by means of the Credit Valley direct to Toronto. The manufacturing power of the River Credit will thus be brought into immediate contact with the population of that region, who will also be placed favourably in regard to the trade of Toronto. In Toronto nearly as much business will be concentrated as if the Grand Trunk did not extend eastward, and the Great Western did not seek to send everything over the bridge. For Hamilton, Toronto, and the St. Lawrence route, the trade which nature proclaims to legitimately belong to them, will be secured. It is the more extraordinary that the influence of Toronto should not be concentrated, especially as Hamilton and Guelph have established a permanent lobby at the House, and since it is so obvious that with the Credit Valley, Toronto would be independent of the policy of any railway organization in western Canada. The Hamilton and North Western got \$3,000 through Peel and Halton per mile—\$1,000 more than the Credit Valley has received, and they want more money.

No economy in this line has been ignored. No city director of the Credit Valley Railway has got a dollar in return for outlay and labour, excepting the President. The employees are paid partly in securities and partly in money. No member of the Company will have any profit or advantage in the scheme apart from an interest in the stock or securities, and the value of this will depend on the ultimate success of the working of the line. The whole money has

been strictly applied to the purpose of construction. No railway work in the Province has been done better or more carefully managed. For two years, 700 men have been employed, and all accounts have been paid, with the exception of a few small sums and a portion of the right of way.

There could be no time more favourable for pushing on with the work than the present. Steel and iron are low; labour is cheap; materials of all sorts are in abundance; the tide of prosperous business will soon flow; and it will be little short of criminal if preparation is not made for it. The moment trade begins to move, the country will be singing out for rolling stock on the main lines, and then the true value of the Credit Valley will be seen, for it cannot fail to add five hundred thousand customers to the trade of Toronto, the bonus asked from which would not, from an immense proportion of the taxpayers, average more than one shilling a year.

The same policy will be pursued which, in the case of other lines, has saved to the city in the cordwood trade not less than \$200,000 a year.

The Quebec Government has met the policy of hostility to Canada in the true spirit, and it is not to be believed the Ontario Government will be wanting in courage and statesmanship, especially as with a surplus much larger than that of Quebec, much less is asked.

On the 9th February, 1874, Mr. Mowat, the Prime Minister, spoke as follows: "There is no reason why the House should restrict itself in this matter. If a road is such a road as this House thinks ought to receive support, why should there be any restriction placed upon the grant of that support? The Government are entirely in the hands of the House in this matter, and can make no grant without the consent of the House."

Later in the same debate, he defended the grant to the Whitby road, "because it was perfectly plain from the evidence before the House, that unless such aid was granted, the road could not have been finished. *I believe*," he added, "*aid should be given in all cases where the same principle is involved.* I believe the people of this country are prepared to give it their sanction." And he went on to declare, "if it were necessary, the Government would be perfectly willing to give similar aid" to other railways.

This is the true spirit in which the Government should act, and in acting on which they will be amply sustained by the people.

The action of Mr. Potter has thrown railways more than ever on the country. English capitalists demand a larger margin of security

in the shape of a larger amount of work actually done. There can be no doubt that if the Government gives the small bonus asked for, the City of Toronto will be forward to help; and the counties traversed, with the towns and villages with their mills and manufactories, have strong claims on the liberality of the Province. They have shown their appreciation of the scheme, and they have hitherto received scarcely any aid for railways. Not Toronto alone, but in fact the whole country interested in the line, demand to be snatched from the grip of the two great corporations, who, in pursuing a selfish, have also pursued a short-sighted policy. It is only by such a line as the Credit Valley that this city can maintain her position, and maintain her present rate of progress; and it requires little effort of imagination to realize what will be her wealth and influence when the work is completed. It will be a line which will pay its way, and add greatly to the convenience and wealth, not only of Toronto, but also of the inhabitants of the Counties of Peel, Halton, Wellington, Waterloo, Oxford and Elgin, and the whole Lake Erie country. Let a person cast his eye over the map and make himself acquainted with the manufacturing energy of the towns and villages along the line, and remembering their want of railway accommodation, let him ask himself, how could the Government do a juster thing, or one more likely to bear good fruit, than by helping the Credit Valley Railway? It would indeed be an extraordinary thing if the Ontario Government should lag behind that of Quebec, in taking a course "worthy of statesmen." The very words of the Quebec Treasurer may be used:—

"The wires are being pulled across the Atlantic with the hope of injuring our credit as a Province. Every means, fair and foul, is being tried in England so to impress the minds of capitalists there that no more Provincial bonds should be bought; and this, Mr. Speaker, by companies which have been largely aided by the public money of Canada, and whose reckless management of their own affairs has caused the name of Canada railway securities to become, to some extent at least, a byword of reproach amongst moneyed men in England."

It only remains to express a hope that Upper Canada will checkmate this policy in a spirit of energy and statesmanship, like that of the minister whose words have just been quoted. The line is needed; it is certain to pay its way; a large business is ready for it as soon as its doors are open; the policy of the big lines make it an imperative necessity; now is a favourable time for building it; the unscrupulous action of Mr. Potter is a challenge to Canada; and it is for the Legislature of Ontario to say whether that challenge shall be taken up with spirit, and replied to with success.

G. LAIDLAW.



APPENDIX.

(A.)

## CREDIT VALLEY RAILWAY.

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### ANNUAL GENERAL MEETING.

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The Annual General Meeting of the Shareholders of the Credit Valley Railway Company, was held yesterday at the Company's office, Royal Canadian Bank Buildings, the President, Mr. George Laidlaw, in the chair. Mr. Henry Suckling acted as Secretary. Among those present were Messrs. Angus Morrison, John McNab, C. J. Campbell, Robert W. Elliot, Major Arthurs, Capt. Gardner, James L. Morrison, Ald. Farley, &c.

The Secretary having read the notice convening the meeting, the Minutes of the last meeting were read and approved. The President presented the Annual Report as follows :—

Your Directors have to report that the grading is finished on 116½ miles, and there remains to be done 42 miles.

The grading is completed from a point near the Carlton Race Course to Streetsville, thence northwards on the branch line, *via* Meadowvale, Churchville, Brampton, and Cheltenham, to the Credit River, with the exception of about half a mile near Brampton; thence northwards to Orangeville, and from Cataract to Elora and Fergus, *via* Erin, Hillsburg, and Douglas, with the exception of about four miles between a point on the Credit River above Cheltenham to the forks of the River Credit, and a few pieces, amounting in all to six and a half miles, near Cataract, Alton, Hillsburg, Fergus, and Elora, where the right of way could not be obtained; and on the main line from Streetsville to Milton and the Brock Road, with the exception of four and one-half miles, for which the right of way has also not been obtained, and about a mile and a half near Campbellsville. Nothing has been done between the Brock Road and the eastern limit of the Township of North Dumfries, for which piece no municipal aid was received. From the east limit of North Dumfries the grading has been completed to Ingersoll, with the exception of a portion of the cutting at Galt, in which the steam shovel has been employed, and about five miles east of Galt, between the east limit of North Dumfries and Galt, and eight and one-half miles between Innerkip and Ingersoll.

There are now finished the Humber, Mimico, Pallett's Creek, Cooksville, Barber's Ravine, Credit, and Nith Bridges, and 2,174 lineal feet small tresselling on main line, and Credit and Meadowvale Bridges, and 1,001 feet small tresselling on branch line. Church's "Overhead" and "Millpond" Bridges are also completed, including fourteen span of Howe truss.

There is now erected thirty-five miles fencing on main line, seventeen miles on Orangeville branch, between Streetsville and Cheltenham, and three miles on Elora branch.

One hundred and sixty culverts and sixty-one pairs of cattle-guards have been framed and put in position on main line; fifty-seven culverts and nineteen pairs cattle-guards on Orangeville branch; and sixty culverts and twelve pairs cattle-guards on Elora branch.

There are now on hand and paid for, 56,017 ties. One hundred and ninety proprietors of right of way have been paid for 437 acres land taken, amounting to \$44,780, and there have been paid for plant and working material, including the steam shovel, \$22,125 30.

Every possible effort has been made to economize the use of money in all the departments of the Company's affairs, and, notwithstanding some overcharges for right of way, loss in attempting to build a concrete bridge at Meadowvale, and loss sustained by failure of contractors, and other minor matters, the whole probably not exceeding from eight to twelve thousand dollars, your directors believe that so much work has never been so well and so economically done for a public company in Canada. In addition to the municipal assistance, there have been paid out on account of the Company, \$279,000 on account of construction—this sum including a large amount for right of way donated to the Company. There remains now in the hands of the Municipal Trustees, \$198,624 in cash, in unsold debentures and interest—funds to a certain extent unavailable, from the location and circumstances of the works, without further assistance.

The Company have not received any of the Government grant. The Order in Council states that the money is to be paid exclusive of tracklaying.

The Government have incidentally assisted the Company to continue its works during the past season.

The works are now nearly suspended, and must so remain until further financial arrangements have been made. An average of 620 men and 135 teams have been employed during the past season.

Your Directors have to state that to secure the success of the line, it will be necessary to get from the Government fifteen hundred dollars per mile more than the subsidy already granted, or a little in excess of the amount granted the Hamilton and North-Western Railway; and from the City of Toronto, \$250,000; and from Fergus, Elora, and Orangeville, \$8,000 each.

No Order in Council was asked or obtained for that section of the line passing through Erin and Garafraxa, in the County of Wellington, to Fergus, Elora, and Salem, connecting with the Wellington, Grey and Bruce Railway at Fergus, as the municipal aid for that section had not been definitely settled. This aid must now be petitioned for.

Your Directors cannot suppose that the aforesaid aid will be refused, either by the Government or the Municipalities, in view of the important interests concerned, including those of so many towns, villages, and manufactories as are involved in the successful operation of the Credit Valley Railway—there being two towns, thirteen villages, and fifty-eight mills and manufactories on the route from Streetsville to Elora, and four towns, fourteen villages, and seventy mills and manufactories from Toronto to Ingersoll.

The Auditor's Report is hereto annexed.

CREDIT VALLEY RAILWAY,  
PRESIDENT'S OFFICE,  
Toronto, 27th October, 1875.

*To the President and Directors of the Credit Valley Railway Company.*

GENTLEMEN,—We have carefully examined the books of account of the Credit Valley Railway for the year ending 30th September, 1875, and found the entries correct and corresponding with the vouchers produced.

On the 8th of October we examined the cash balance produced, and found it to agree with the cash statement, less sundry payments made since the 30th September, for which vouchers were also produced.

The statement herewith produced corresponds with the ledger balances, and exhibits the true financial position of the Company at that date.

JAS. SYDNEY CROKER, }  
A. B. CAMPBELL, } *Auditors.*

The PRESIDENT moved the adoption of the report, and said the undeserved onslaught made upon Canadian Railway enterprise distinguishable from English railway enterprise in Canada, by the *Times*, probably prompted by and at all events followed by worse misrepresentations from Mr. Potter, President of the Grand Trunk Railway Company, have certainly created in Canada a determination to sustain such lines of railway as are manifestly advantageous to the people of the municipalities willing to bear a liberal share of their cost. The Government of the Province of Quebec have taken up the gauge thrown down by Mr. Potter, and have assumed the municipal bonuses and the responsibility of building, and have let the contract at twenty-seven thousand (\$27,000) dollars per mile for the construction of the "North Shore" and "Northern Colonization" railways, the very lines the credit of which Mr. Potter thought it so essential to destroy. The attack made upon the Credit Valley Railway and upon the Ontario Government for its action in relation thereto at the meeting of the Toronto, Grey, and Bruce Railway Company, could only have originated in misapprehension of the cir-

cumstances and want of understanding as to the intrinsic value of the line, and the effects to be produced by its successful operation on the general interests of the country, and of the City of Toronto. Originally designed on the three feet six inch gauge, and projected to strike the Credit River at Streetsville, and mainly to follow its course to Alton with a branch to Milton, it was at the urgent solicitations of influential parties in the counties of Oxford, Elgin, Waterloo, Halton, Wellington, and Peel, ultimately agreed to change the gauge to four feet eight and one half inches, and extend the main line to St. Thomas, and the branch to connect with the Wellington, Grey, and Bruce Railway at Fergus, bringing the whole country north of Fergus and Elora to Southampton into connection with the Credit Valley Railway. The main line connecting with the Canada Southern cannot fail to be of great advantage to the country, and throw a vast amount of new business into the city of Toronto. The Credit Valley Railway is being built where the business is—as soon as its doors are opened the trade will be ready. Lying wholly south of the Toronto, Grey, and Bruce, and following the River Credit in a general direction northwards as far as Cataract, it comes into a limited competition with the Toronto, Grey, and Bruce Railway at Alton and Orangeville—a small affair, abundantly to be compensated for by the new business the Credit Valley Railway will occasion to pass over the Toronto, Grey, and Bruce Railway. On the completion of the Credit Valley Railway, a very large demand will arise in Peel and Halton for the cereals and coarse timber, &c., which forms so large a portion of the business of the Toronto, Grey, and Bruce Railway. The Toronto, Grey, and Bruce from Orangeville to Owen Sound, and from Orangeville *via* Arthur, Mount Forest, and Harriston to Teeswater, is built upon the *height* of land whence flow the waters to all points of the compass. Along the whole line of that railway the milling and manufacturing facilities, except the small number on the Humber River, are scarcely worth mentioning, with the result that when wheat is not bought for export, the millers of the Grand River and the Speed control the markets on the Wellington, Grey, and Bruce Railway to Southampton, and absorb from the region occupied by the Toronto, Grey, and Bruce Railway a large proportion of its grain trade. By the construction of the Credit Valley Railway to Orangeville, all the millers at Lambton, Springfield, Streetsville, Meadowvale, Brampton, Salmonville, Cheltenham, Boston, and Cataract, as well as of Erin, Hillsburg, Douglas, Fergus, Elora, and Salem, besides many other smaller manufacturers, will be placed in a position to enter into competition along the entire line of the Toronto, Grey, and Bruce Railway from Orangeville to Teeswater and Owen Sound, making much stronger markets for all products on the whole line, and adding largely to its receipts of freight and passengers. Transshipment to the mills on the Credit Valley Railway would take place at Orangeville. The manufactured articles would be re-shipped on that line to Toronto. The great

power of the River Credit would in effect raise a suburban string of manufacturing villages for the city of Toronto, adding immensely to the volume of its general business, as manufacturing streams in Massachusetts are made tributary to Boston. The country surrounding Fergus, Elora, and Salem will have focalized there an extensive business, because for nearly forty miles north and west there is no water-power of moment, while the agricultural interests would gain heavily by the competition induced among shippers, *via* the Suspension Bridge and the New York Central Railway, and the route *via* Toronto and the St. Lawrence to the sea. The whole region on the line of the Wellington, Grey, and Bruce Railway will derive the full benefit of access to the milling power of the Credit, and a saving of thirty miles to Toronto. The Credit Valley Railway being a local line, it will be impossible for the Wellington, Grey, and Bruce to evade passenger connection, as is done with the Grand Trunk Railway in Guelph. The main line from Streetsville westwards passes through one of the most populous and wealthy agricultural and industrial sections of Canada, running near the town of Milton (the county town of Halton), the free-stone quarries and lime kilns of Nelson, and the mills in the south of the township of Nassagaweya, westwards between the villages of Freelon and Morriston to the rich and prosperous town of Galt. Thence through Dumfries *via* the manufacturing village of Ayr to Wolverton, near Plattsville, and past Drumbo and Innerkip to Woodstock and Ingersoll, to extension to St. Thomas depending upon sufficient municipal aid. At Woodstock connections will be made with the Port Dover and Lake Huron and the Canada Southern Railways, by which means, for all practical purposes, the city of Toronto will become the terminus of the Canada Southern in Ontario. This important arrangement assures to the whole of the people on the Lake Erie country, on both the aforesaid lines, direct business with the Toronto market and the St. Lawrence, instead of with Buffalo and New York. It is quite true that this line will be in competition with the Great Western, and at some points with the Grand Trunk, and that those lines will be compelled to carry to ports on Lake Ontario *via* Hamilton and Toronto at reasonable rates; but are the people of this Province reduced to that state of railway vassalage that they may not protect their own interests from inequitable and unjustifiable imposts by the grossly and extravagantly mismanaged existing English railway corporations—management alike disastrous to the proprietary and to the people of Canada? The county of Oxford is estimated to have paid for carriage of passengers, imports and exports, a sum approximating \$200,000 per annum *more* than was paid for the carriage of the same number of passengers and quantities of imports and exports from the county of Middlesex, averaging thirty miles further west, but in which at London the Grand Trunk meets the Great Western, and Montreal meets New York. The total municipal taxation for local purposes sinks into insignificance as compared with the taxation of excessive local rates imposed by the Great Western and Grand Trunk

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what they have never hitherto had, that is, rates of freights and fares approaching to those paid by western through business. What is particularly deserving of notice is, that we have not looked outside our own boundaries for the means and talent employed in this work, so far as it has gone; and the result has been the greatest excellence and economy yet attained in this country in any similar work. By the admirable alignments and grades of the road, our engineers have secured us the option of one of three advantages over the Grand Trunk and Great Western Railways. That is, a given quantity of fuel will draw a heavier train the same distance; or it will draw an equal weight faster for the same distance; or it will draw an equal weight a greater distance than on the competing roads. This advantage does not end with the saving in fuel, but extends to the wear and tear of rails, and through the whole of what are called locomotive expenses, and forms a most important element in the value of the negotiable securities of the Company. In this connection we point to our admirable location with reference to existing population, and as a means of developing new industries. The last point in our present position to which attention is directed is, that our railway has been located and constructed with intelligent and experienced regard to the influence of the Canadian climate on railway works and working. On this point the most able foreign engineers have committed grave errors, which have afterwards required to be corrected at great cost and loss to the company employing them. If we can manage to secure steel rails, there is no doubt we shall have a work second to none on the continent, as all the works and structures have been built in view of carrying a heavy and rapid traffic, so that renewals and rebuilding will be reduced to a minimum. This is a point on which the financial prospects of many new companies have been wrecked.

Mr. MACNAB said that from a long acquaintance with the Lake Erie country, he was fully cognizant of the great benefit which would result to the city of Toronto from the Canada Southern Railway having a terminus in it by means of running powers or otherwise with the Credit Valley Railway. The American tariff is so high that the whole district from Port Dover to Amherstburg would seek markets on the shores of Lake Ontario, such as Toronto, etc., if the requisite railway facilities for the business were afforded. A very large new business in passengers and freight, with which we have at present little to do, would undoubtedly follow the Canada Southern Railway to the city of Toronto. In fact, the importance of this connection is not so well understood in this city as in the country, but, no doubt, when the subject is discussed, the public will see its merit.

Mr. ANGUS MORRISON, in endorsing all that had been said by Mr. Macnab in relation to the Canada Southern, said that the city of *Toronto had risen to its present commercial position in the country on account of its excellent harbour and extensive railway connections,*

for which the country outside is very much indebted to it. And if the city is to increase in wealth and population, it must be by keeping on extending its railway ramifications and connections wherever there is population and business.

**Mr. ARTHURS** considered that, though the merchants and citizens of Toronto were quite willing to admit the importance of the Credit Valley Railway, they did not appear to take a sufficiently active interest in its progress. In view of the great efforts made by other places to secure avenues to the trade of the country, this is a great mistake. It is undoubtedly true that those who attend to these matters are required to make considerable sacrifices of individual ease and comfort, but such sacrifices are necessary if Toronto is to maintain her proud position as Queen City of the West.

**Capt. GARDNER** said that no railway that has been constructed to the city of Toronto, other than the Northern, and perhaps not even that, will bring as many people and as much business to the Toronto Esplanade as the Credit Valley Railway.

**Mr. JAMES L. MORRISON** said that after an extended tour along the line of the Credit Valley and Canada Southern Railways, he was of opinion that the large territory that has no trade with us, nor we with it, ought to be, at as early a date as possible, taken advantage of by the citizens doing all in their power to have the connection completed, and that our connection with the Wellington, Grey, and Bruce Railway at Fergus will enable the farmers and merchants of that productive part of the Western Peninsula to have the full advantage of unhampered trading relations with the chief city of the Province.

**Mr. ANGUS MORRISON**, in moving a vote of thanks to the President, **Mr. George Laidlaw**, spoke of the valuable services that gentleman had rendered to the Company in the past, and expressed the satisfaction which he, and he believed every Shareholder, had in the future prosperity of the road. The progress of the work already carried out in the construction of the Credit Valley Railway was entirely due to the exertions of the President, a fact which the Shareholders and the public would endorse. (Hear.)

**Mr. R. W. ELLIOT** seconded the motion, which was carried unanimously.

**Mr. LAIDLAW** briefly replied, thanking the Shareholders for their expressions of confidence.

**Mr. C. J. CAMPBELL** moved that a vote of thanks be given to the Chief Engineer, **Mr. J. C. Bailey**, the Engineering Staff, and the Superintendents, Messrs. Walsh Bros., for the efficient manner in which they had carried out the work in connection with the Credit Valley Railway.

Mr. J. MACNAB seconded the motion, which was carried unanimously.

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On a ballot being taken, the following gentlemen were elected Directors for the ensuing year:—G. Laidlaw, C. J. Campbell, John Gardner, John Macnab, James L. Morrison, R. W. Elliot, Angus Morrison, Wm. Arthurs, Robert Hay.

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At a subsequent meeting of the Directors, Mr. George Laidlaw was re-elected President, and Mr. C. J. Campbell Vice-President.

## B.

## CAPITAL ACCOUNT.

## CAPITAL EXPENDED :

Bonus capital expended.....	\$277,414
Expended by the Company, other than proceeds of Bonuses .....	177,000
Total amount expended.....	<u>\$454,414</u>

Total amount of bonus capital expended .....

\$277,414

Total amount expended.....

\$454,414

Total amount to be expended.....

\$454,414

Total cost .....

\$454,414

Cost per mile (158 miles) say \$21,500, to be made up as follows:

Municipal bonuses, inclusive of \$27,414, to  
be obtained from Toronto, Orangeville

Fergus, and Elora .....

\$1,000 per mile

Government aid .....

1,000

Proceeds of \$12,000 per mile of bonds via.  
authorized pay.....

1,000

Floating debt .....

1,000

Per mile .....

\$21,500

